



Colt Industries Annual Report 1973

AR46



# Financial Highlights

Colt Industries Inc and Subsidiaries

Year ended December 31

	1973	1972
Sales	\$862,103,000	\$707,299,000
Net earnings	26,734,000	16,268,000
Earnings per common share including common equivalent share	3.41	1.81
Earnings per common share assuming full dilution	3.32	1.80
Shareholders of record:		
Preferred	11,770	11,857
Common	27,763	28,238
Number of employees	25,500	24,500

## Sales and Pre-Tax Income by Product Groups

(In Millions of Dollars)

	1973		1972	
	Sales	Income	Sales	Income
Materials	\$404	\$36.7	\$314	\$26.6
Industrial and Power Equipment	255	2.7	204	(7.6)
Fluid Control Systems	167	7.7	138	6.0
Firearms and Sporting Equipment	36	(1.4)	51	1.0
Totals	\$862	\$45.7	\$707	\$26.0

Cover: Rough-machined forgings for pressure vessel wells, awaiting further processing at Lenape Forge Division plant of the Gulf & Western Industrial Products Company. Manufactured from high-strength Crucible alloy steel, these forgings must withstand cryogenic to super-heated temperature extremes.

Representative panorama of Colt Industries' four product groups:

1 Materials: Oil well drill bits, made of tough Crucible alloy steel.

2 Industrial and Power Equipment: Pratt & Whitney Star-turn lathe.

3 Fluid Control Systems: Holley carburetor for compact car.

4 Firearms and Sporting Equipment: Colt Woodsman pistol.





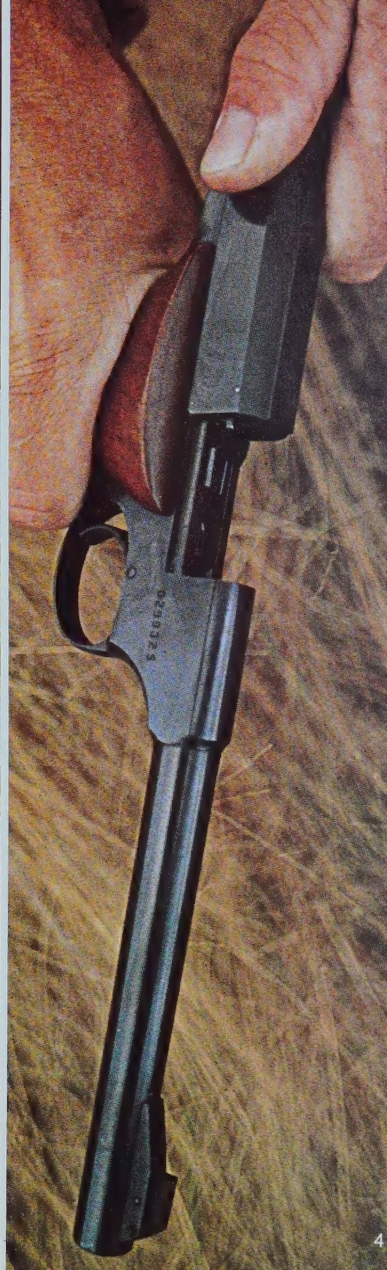
1



2



3



4



## To Stockholders



George A. Strichman  
Chairman of the Board

In 1973, your company achieved a 64 percent increase in net income on a 22 percent increase in sales and the highest sales in any year in its history.

While these gains were attributable in good measure to the strength of the 1973 economy, they stemmed as well from our own improved profitability, the breadth and strength of our earnings base, and the growing demand for the industrial products we make.

In the past six years, we have substantially changed the character of the company. Once quite dependent upon defense business, now only 6.4 percent of our shipments, we are today a diversified operating company serving U.S. industry with a broad line of specialty steels and industrial products. As such, we are well positioned to help meet the now pressing capital goods requirements of American industry.

### **A Particularly Good Year**

Our Materials Group, producers of Crucible specialty steels, had a particularly good year with sales up 29 percent and pre-tax earnings up 38 percent over 1972. While automobile production is expected to be lower in 1974, demand is increasing for Crucible stainless, high alloy, and other specialty steels for use in such energy-related industries as petroleum production and refining and electric power generation; as well as in chemical, petrochemical, and food processing; construction, earth moving, and materials handling equipment; metalworking; and pollution control.

Early in the year, we began commercial production of Crucible stainless steel slabs on the new four-story continuous casting facility at Midland, Pennsylvania. Combined with the 100-ton argon-oxygen decarburization furnace that went into production in 1972, the highly automated, computer-controlled system provides significant advantages in improved quality, lower cost, and reduced production and delivery time. Even

with these and other capital expenditures in the past two years, the three divisions that comprise the Materials Group are expected to be operating at near capacity during 1974.

Demand for Trent welded stainless steel pipe and tubing continues to increase for such energy-related applications as oil refining, electric power generation and liquified natural gas transportation.

### **The Small Car Trend**

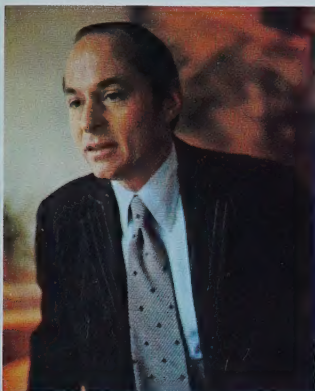
Holley Carburetor had an excellent year, reflecting the record 1973 production level in the automobile industry. Since joining Colt Industries in 1968, Holley has more than tripled its volume, with much of this growth occurring in the past two years.

While total U.S. automobile production is expected to be down in 1974, production of smaller cars is expected to increase. Prepared for the trend to smaller cars, Holley entered 1974 in a strong position as a major supplier of carburetors for virtually all of the U.S. compact and subcompact cars.

During the year, Holley received commitments from Ford, Chrysler and American Motors that are expected to total close to \$200 million over the next several years for the production of air injection pumps for use in automotive emission control systems. A new production facility in Sallisaw, Oklahoma, is being readied to meet these requirements.

### **Right Products, Right Time**

During 1973, we experienced a strong upsurge in demand for our broad lines of production equipment and other industrial products. With capacity shortages in a number of basic industries and with companies moving forward with their capital expenditure plans, we anticipate continuing demand for our Pratt & Whitney and Elox production equipment, Quincy compressors, Fairbanks industrial scales, and Fairbanks Morse engines and pumps.



David I. Margolis  
President

In 1973, we made significant manufacturing and product line consolidations in our Industrial and Power Equipment Group. We are concentrating management attention and resources on the manufacture and sale of Fairbanks Morse diesel and dual-fuel engines for marine, public utility, and other applications. We are closing the Central Moloney power transformer plant in St. Louis and concentrating on the manufacture of distribution transformers at modern facilities in Arkansas and Florida. Early in 1974, we announced plans to close the Pratt & Whitney Los Angeles operation and to consolidate manufacturing in West Hartford, Connecticut.

These actions and other improvements in our Industrial and Power Equipment Group should further enhance the profitability of the group and make it a swing factor in the overall earnings performance of the company in 1974.

During 1973, our firearms business, which now represents only 4 percent of our total volume, was closed down by a 19-week strike, resulting in a loss for the full year. Our market position remained firm, however, and demand for Colt commercial firearms is at an all-time high.

#### **The Energy Shortage**

The energy shortage is, on the one hand, creating increased demand for many of the company's products; it can also, depending upon its severity, significantly affect our manufacturing operations. We believe the shortage to be real and long-term, and that the costs of energy will become an increasingly significant factor in our overall costs of doing business.

In our specialty steels production facilities, we have coped with fuel shortages in the past and have some interchangeability among the various sources of energy. At these and our other manufacturing facilities, we are conserving energy and developing alternate fuel capabilities where feasible. While the dimensions of the energy shortage and its effect on industry

in the months ahead are not known, we have not as yet experienced any serious dislocations because of fuel shortages.

#### **Strong Financial Position**

As a diversified industrial products company, we are well positioned to meet the materials and capital goods needs of American industry. Our principal plants are modern and efficient. Our earnings base is broad. Our financial position is strong.

Confidence in the company's earnings performance was apparent during 1973 when the Board of Directors twice voted increases in the dividends on the common stock. It is our belief that we enter 1974 stronger as a company than at any other time in our history.

A handwritten signature in dark ink, reading "David I. Margolis". The signature is fluid and cursive, with the first name and last name clearly legible.

David I. Margolis  
President

A handwritten signature in dark ink, reading "George A. Strichman". The signature is cursive and somewhat stylized, with the first name and last name clearly legible.

George A. Strichman  
Chairman of the Board

January 29, 1974



## Operations Review

Colt Industries is a diversified operating company serving American industry with a broad line of specialty steels and industrial products. The company's four product groups are Materials, Industrial and Power Equipment, Fluid Control Systems, and Firearms and Sporting Equipment.

### Materials

The operations that comprise the Colt Industries Materials Group are among the world's leaders in research, development and production of specialty steels. These materials are distinctive from conventional carbon steels because of their resistance to corrosion and abrasion, hardness and high tensile strength. They are particularly suited to the needs of the automotive, metalworking, electric utility, and oil, chemical, food and other processing industries. Marketing under the famous name Crucible, they accounted for 47 percent of the company's 1973 sales.

**Alloys and Specialty Metals** Demand increased substantially during 1973 for Crucible alloy steels and specialty metals. Produced principally at Midland, Pennsylvania, Crucible alloy steels are characterized by their strength and response to heat treatment. They are used mainly in the forging, automotive, truck and tractor, petroleum and other heavy equipment industries. Crucible specialty metals, produced at Syracuse, New York, include high alloy steels for such purposes as valves, dies and high-speed and other types of tools. Sales of these products were well ahead of 1972, and demand continues strong.







1  
Crucible alloys, precisely formulated for heavy-duty transmissions, help Caterpillar tractors move mountains.

2  
Tricone oil well drill bit produced by Dresser Industries depends on special Crucible alloy steel to withstand high temperatures and up to 100,000 psi pressures while boring through rock as hard as the granite test blocks in background.

3  
Partly-finished forgings for pressure vessel wells undergo inspection at Lenape Forge plant in Pennsylvania. Before machining, these high-strength parts are hot-worked from huge blocks of steel such as 15-ton Crucible alloy billets in background.



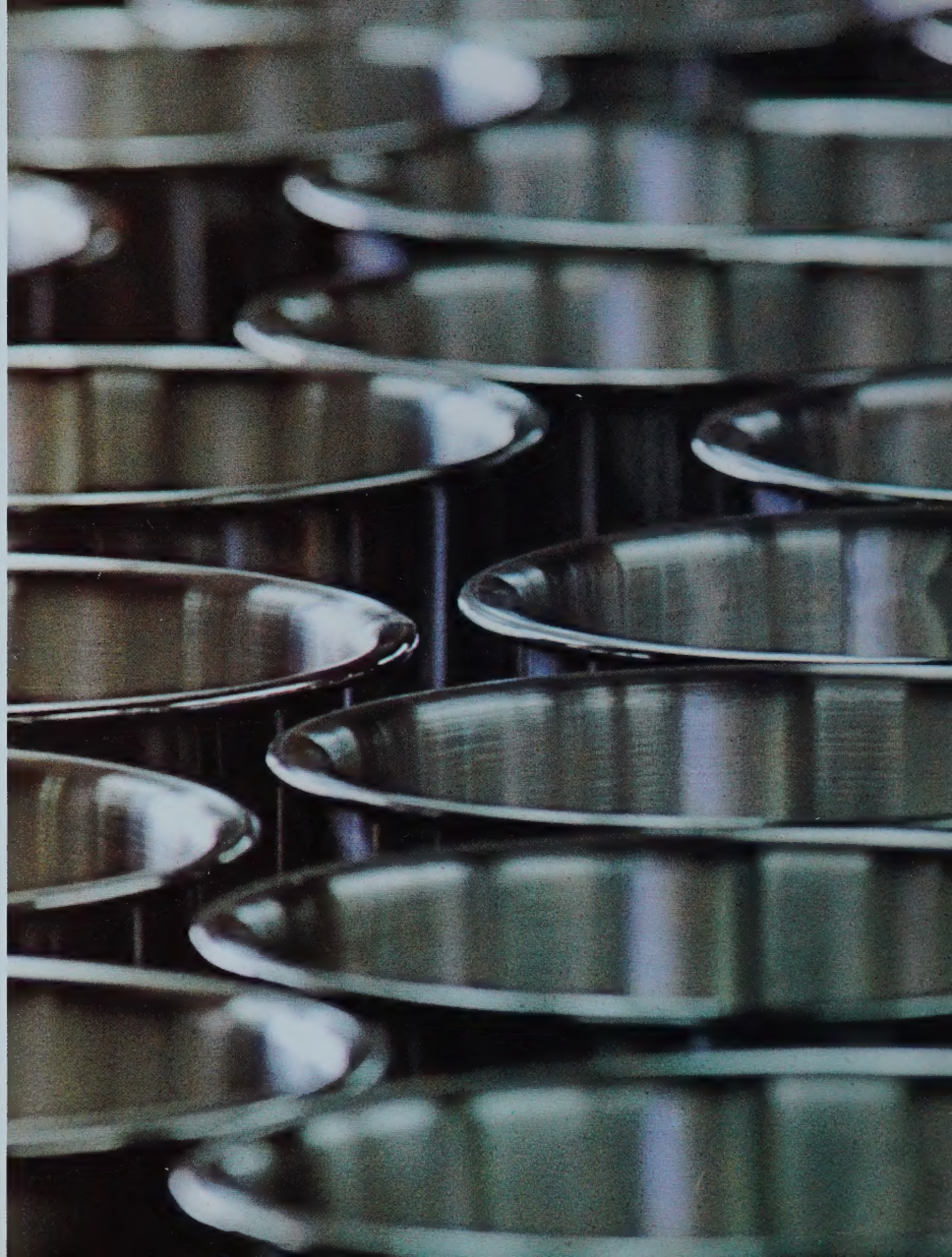
Shipments of proprietary Crucible particle metallurgy steels doubled in 1973. Additional CPM production facilities were installed at the Syracuse, New York, plant to meet anticipated future demand for the CPM material, which has significant advantages over conventionally processed alloys.

The five-year plan for capital investment in new mechanical and management systems at the Midland Crucible alloy steel making facilities was virtually complete as 1973 began, positioning the division to take optimum advantage of rising demand during the year. These investments included top-blown oxygen converter furnaces, a double-vessel degassing unit, a continuous heat-treatment line and computerization of the melt shop to process some 500 grades of steel.

**Stainless Steel** Crucible pioneered in the development of the stainless steel industry in North America. Today, the Materials Group ranks among the nation's top four producers and leads in sales of some lines of stainless sheet, strip, coils, free-machining rods and bars and die materials. These are produced at Midland, Syracuse and Sorel, Quebec.

Shipments of stainless sheet and strip were at record levels in 1973. Overall demand for Crucible stainless products was substantially ahead of the 1972 levels, with order input at year-end continuing at a high level.

Early in the year, the company inaugurated commercial production of Crucible stainless steel on its giant continuous casting system at Midland. The system, capable of converting heats of up to 100 tons of molten stainless into high-quality







1



2



3

1  
Miles of Crucible stainless steel sheet and strip are used each year in the production of home appliances, cutlery and other housewares. These stainless steel mixing bowls are manufactured by the West Bend Company at its Wisconsin factory.

2  
The nation's automakers require thousands of tons of corrosion-fighting Crucible stainless steels for such weather-exposed accessories as these wheel covers. Other automotive parts that must endure severe environmental stress include windshield wiper arms, brake pedal covers, exhaust systems.

3  
Highly corrosion-resistant and heat-tolerant Crucible stainless steel goes into electric range and oven heating elements produced by the General Electric Company.



slabs with dramatic savings in production and delivery time, is served by the 100-ton argon-oxygen decarburization (AOD) furnace brought on stream in 1972.

The AOD-concast system was a significant factor in putting the division in an advantageous position to meet 1973 and current market demand.

**Titanium** Sales of titanium plate, sheet, strip, bars, rods and wire were stronger in 1973, reflecting increased demand from aerospace customers. The 1973 volume was more than double 1971 recession levels and well ahead of 1972.

The company's proprietary Beta III titanium was shipped for its first commercial application in construction of the Lockheed L-1011. Unlike conventional titanium products, Beta III is cold-formable, making it particularly useful for lightweight, super-strong fasteners, extensively used in aircraft production.

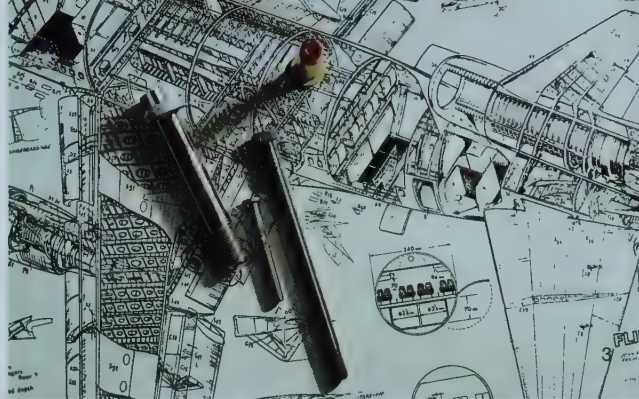
Government funding of the F-15 air superiority fighter program and several other advanced military and commercial aircraft programs has greatly broadened market prospects for titanium products.

**Research** The Crucible Materials Research Center, near Pittsburgh, is an internationally acclaimed metallurgical technology facility. The center holds more than 300 metallurgical patents, including many on particle metallurgy and titanium.

During 1973, the center pursued a number of new and continuing research programs, notably in particle metallurgy and the development of alloys for environmental systems.







1  
To find which materials stand up best against corrosive atmosphere in power plant smokestacks, metallurgical engineers for the Crucible Materials Research Center racked up 18 different steel alloy specimens inside this "scrubber" Combustion Engineering Corporation built for Kansas City Light & Power Company. Glass marble bed over stainless steel mesh floor slows exhaust gases so limestone slurry sprayed into stack can absorb sulphur.



2  
This cutting tool, pictured inside a bearing outer race shaped by The Fafnir Bearing Company, division of Textron, was manufactured from Crucible proprietary particle metallurgy high-speed steel. CPM demonstrated significant advantages in tool life and machining costs.

3  
The Voi-Shan Division of the VSI Corporation makes these aircraft fasteners from Crucible titanium rod stock for the diagrammed DC-10 and other aircraft. Titanium is more than a third lighter than steel, yet rivals it in strength.

4  
So flawless it can be polished to mirror smoothness, a mold (right) made from Crucible stainless mold steel enables Commercial Plastics Company in Illinois to form crystal-clear, optical-grade face masks such as this model, popular among motorcyclists.



# Industrial and Power Equipment

The Industrial and Power Equipment Group, accounting for 30 percent of 1973 company shipments, is comprised of six major product lines, with names well known to industry: Fairbanks Morse large diesel engines, Fairbanks industrial weighing equipment, Quincy compressors, Pratt & Whitney and Elox metalworking equipment, Central Moloney transformers and such fabricated metal products as Trent stainless steel pipe and tubing, Crucible permanent magnets and Crucible coil springs.

**Fabricated Metals** Under the Trent brand name, Colt Industries is the nation's leading producer of welded stainless steel tubing and pipe. Its 1973 sales were at record levels, with orders particularly strong from oil refiners, electric utilities and chemical and food processors. A \$3.25 million order for condenser tubing was received from Commonwealth Edison Company, Chicago; and a \$3.2 million order was received for welded stainless pipe to link a Columbia Natural Gas Company offshore liquified natural gas port to mainland facilities at Cove Point, Maryland.

Record sales of Crucible permanent magnets reflected strong demand for Alnico cast magnets, increasing penetration of the growing market for ceramic magnets and continued leadership in computer disk pack magnets for data processing systems. During the year, a line of exceptionally high-energy Crucore rare earth-cobalt magnets was introduced.

Resurging demand for railroad cars pushed Crucible coil spring sales more than 50 percent ahead of 1972. Energy shortages focused new attention on rail transportation, and increasing demand for Crucible springs is expected from







1  
The Kenosha, Wisconsin, plant of Ocean Spray Cranberries, Inc., uses miles of Trent stainless tubing to transport, blend, and process fruit juices that would quickly corrode less acid-resistant materials.

2  
Heavy-gauge coil springs cushion the nation's rail freight. Car builders use some 16 million pounds of Crucible springs annually.

3  
A dozen Crucible ceramic magnets stud the rims of these alternator flywheels for the electrical system of an 8-hp Briggs & Stratton engine.





locomotive as well as car manufacturers. Crucible heavy-duty coil springs also are widely used in electric utility and chemical and petrochemical processing industries.

**Industrial Equipment** Sales of the company's metalworking tools and equipment were well ahead of 1972. Order input and backlog continued at high levels through year-end.

The Pratt & Whitney numerically controlled Star-turn lathes paced the company's impressive 1973 machine tool sales advances. The Viking, latest in the Pratt & Whitney line of N/C machining centers, was introduced during the year.

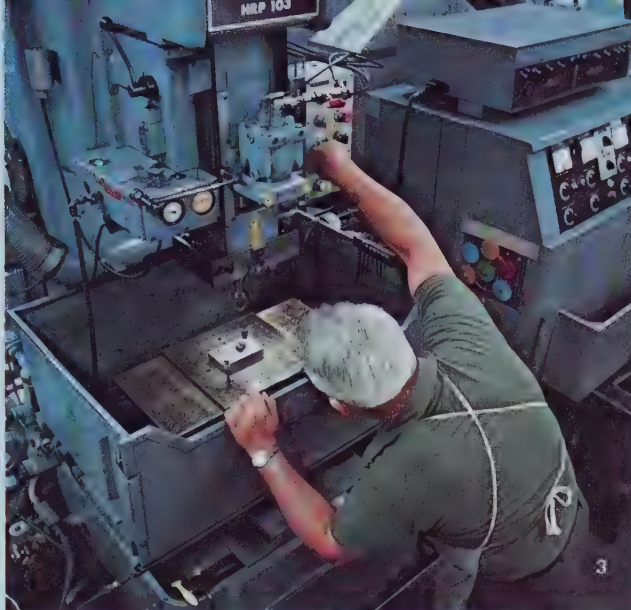
Pratt & Whitney small tool sales were up on an increased volume of basic high-speed and carbide cutting tools and further penetration of the growing market for the company's Haber cold-heading tools. The gradual switch in the nation's measuring system to metric standards stimulated demand for the company's broad line of gages and precision measuring tools, both mechanical and electronic.

Shipments of Elox electrical discharge machining (EDM) equipment were at record levels in 1973, as the company continued to innovate in developing custom-designed EDM systems for manufacturing production, in addition to the standard EDM units widely used for the more traditional die room applications.

Sales of Fairbanks weighing equipment were well ahead of 1972 levels. The division is believed to be the nation's leading manufacturer of industrial scales. Fairbanks scales are extensively employed in the livestock, grain and food processing







1  
New Pratt & Whitney Star-turn 1230 lathe gives this Arland Tool Company machinist the numerical controls, 12 cutting tool options, and 30-hp drive he needs to turn out such large precision parts as the conduit nuts in the foreground.

2  
This Haber cold-heading punch and die set is one of many the Hi-Vol Products Company uses to form these color-coded auto fuel line connectors. Cold-heading turns out quality parts like these at a rate not possible with conventional screw machine or other manufacturing methods.

3  
West Hartford Tool & Die Company machinist sets up Elox electrical discharge machining equipment to shape a complex die component that can be made only by EDM process.



4  
Complicated component for a military vehicle is machined for Precision Boring Company on new Pratt & Whitney Viking machining center. The numerically controlled Viking has an automatic 25-tool magazine.



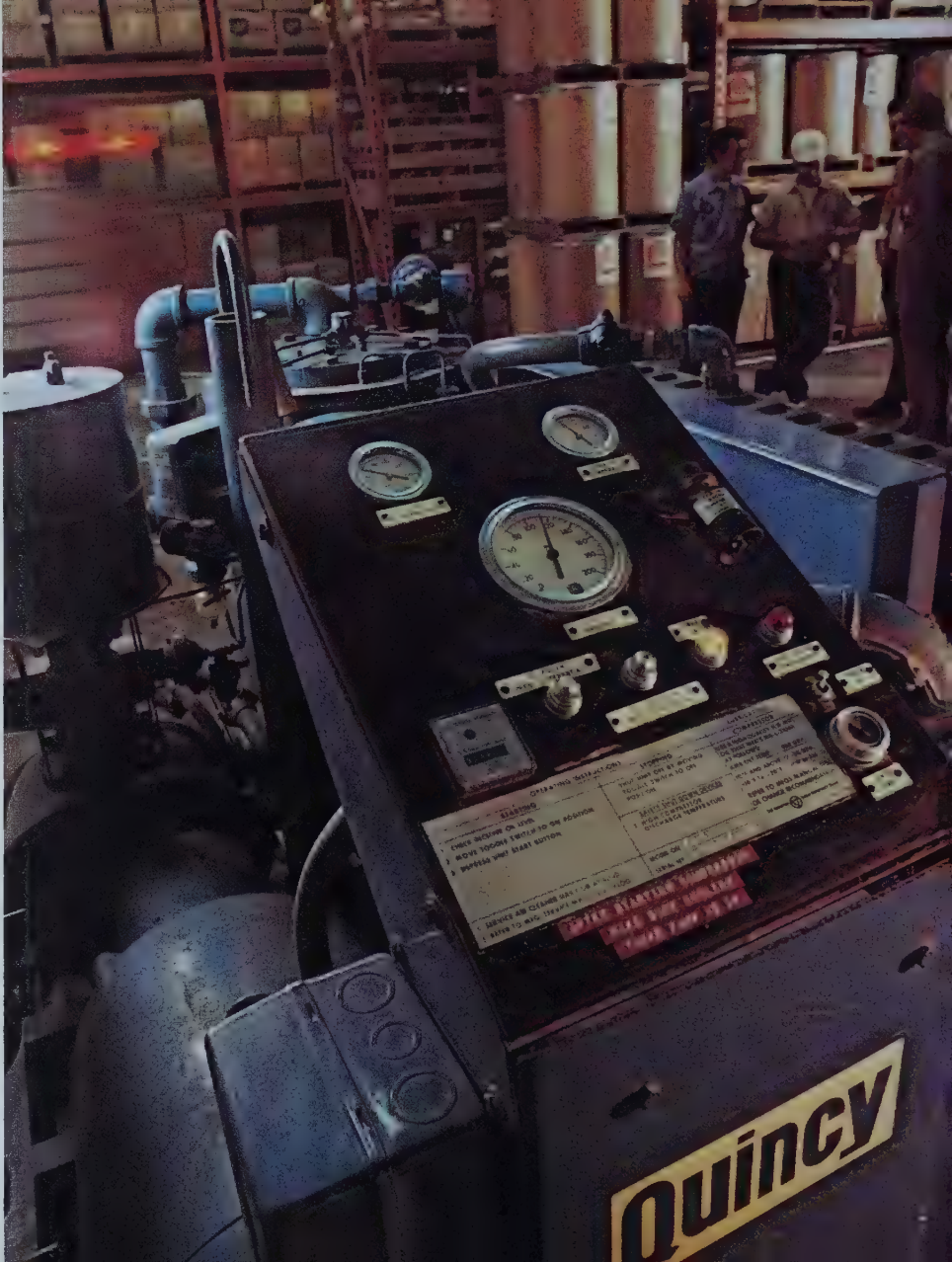
industries, as well as in U.S. government postal services and air, rail and motor transportation.

Despite a six-week strike, 1973 shipments of Quincy compressors were strong with demand continuing at a high level through the end of the year. Approximately 140,000 square feet were added to the company's main plant in the Quincy, Illinois, Industrial Park, more than doubling the factory's manufacturing space and improving productivity.

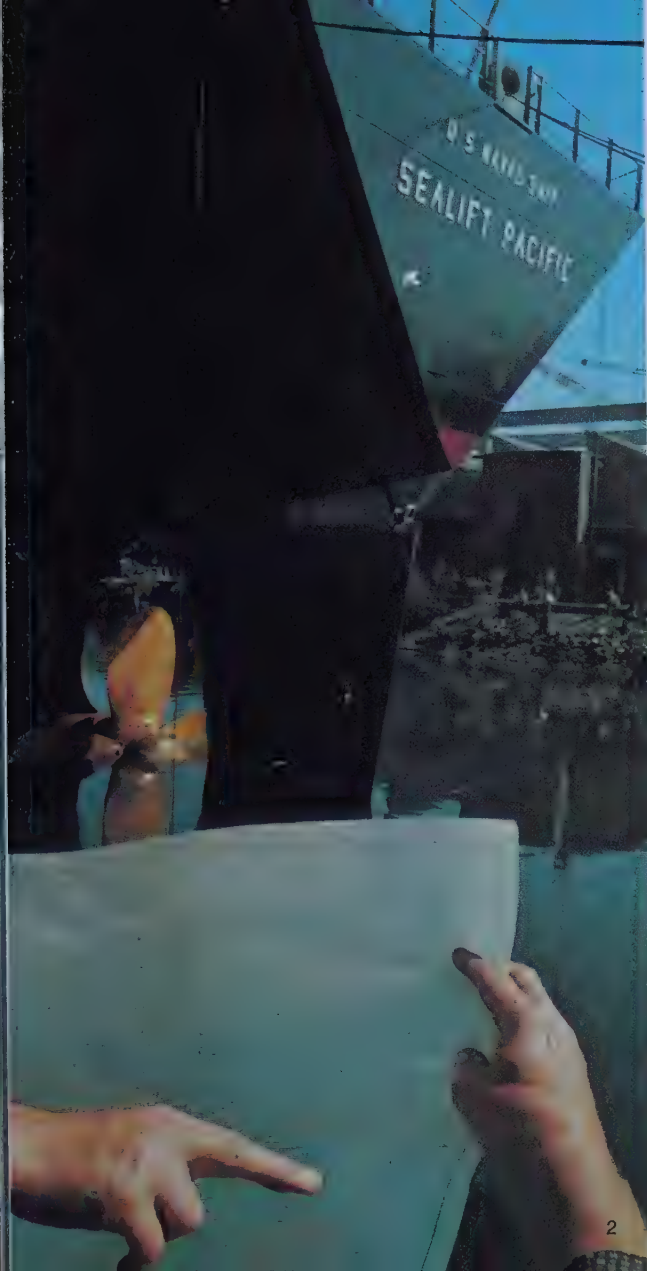
**Power Equipment** Sales of power equipment to the electrical utility and marine propulsion markets were up over the 1972 levels. Improvement stemmed principally from stronger pricing for distribution transformers and greater demand for large diesel engines for electric power generation and marine propulsion.

Production capacity at the Central Moloney transformer plant in Arcadia, Florida, was almost doubled to meet the growing distribution transformer demand in the southeast. The power transformer manufacturing facility in St. Louis is being closed and the division is now concentrating on the production of distribution transformers at Arcadia and Pine Bluff, Arkansas.

The principal Fairbanks Morse marine propulsion program during the year was the production of diesel engines for four Military Sealift Command 25,000 dwt oil tankers being built by Todd Shipyards, San Pedro, California. In October a \$7.5 million order was received from Todd to furnish propulsion diesel systems for four new 35,000 dwt oil tankers. An order was also received for a second pair of diesels to power a large-scale catamaran tugboat to propel huge oil barges.







2



3



1  
Compressed air to operate food packaging equipment in this Los Angeles plant of Lawry's Foods, Inc. comes from 50-hp Quincy rotary screw compressor.

2  
At Todd Shipyards Corp., San Pedro, California, a 25,000 dwt tanker, one of four equipped with Fairbanks Morse diesels for both propulsion and ship's service, nears completion.

3  
A Kansas City Power & Light Co. installer directs hoisting of a Central Moloney 25 KVA pole-mount distribution transformer, one of thousands supplied to electric utilities each year.

4  
At a Cooper-Jarrett Inc. warehouse in New York City, the electronic readout on this Fairbanks low-profile scale instantly displays the net weight of a shipment of packaged chemicals.



## Fluid Control Systems

Accounting for 19 percent of Colt Industries' 1973 sales, the company's fluid control products perform two primary functions: the metering and control of engine fuels and the handling of water and wastes. They include such well known products as Holley carburetors in the automotive industry, Chandler Evans fuel controls in the aerospace industry, and Fairbanks Morse pumps in water and waste management.

**Automotive Equipment** 1973 was a record year for Holley carburetor sales. The increase in sales over 1972 capped five years of growth during which Holley volume more than tripled. Holley is the nation's largest independent manufacturer of carburetors and ranks third behind the two largest automobile manufacturers in the total annual production of carburetors.

The production of small cars is expected to increase in 1974, and Holley is a major supplier of carburetors for virtually all U.S. compact and subcompact cars. These include Ford's Pinto, Capri and Mustang II; the Chevrolet Vega; Plymouth's Valiant and Duster; and the Dodge Dart.

During the year, Holley became the largest independent contractor for air injection pumps for automotive emission control systems. The air pump, which introduces compressed air into the engine exhaust system, further oxidizing unburned hydrocarbons and carbon monoxide, is expected to be used on most cars and trucks, beginning with the 1975 model year. Contracts with Chrysler Corporation and Ford Motor Company, together with a commitment from American Motors, are expected to total close to \$200 million over the next several years. The air pumps will be produced at the new Holley plant in Sallisaw, Oklahoma, starting in mid-1974.







1 Each of these small, fast-selling, energy-conserving American cars has a two-barrel Holley carburetor as original equipment. Models, left to right, are Plymouth Duster, Ford Capri, Chevrolet Vega, Dodge Dart, Ford Pinto, and Ford Mustang II.

2 Ford technician adjusts model engine featuring a Holley-made emission control air injection pump, millions of which have been contracted for by large auto makers. The air pump is mounted immediately below the blue-hubbed alternator, to the left of the fan.

3 Holley's unique two-barrel, two-stage carburetor that delivers the fuel-air mixture to small car engines.

4 New wide-tread Pro-Dominator tire, one of a series in the extensive lines of Holley specialty equipment for the automotive performance market.



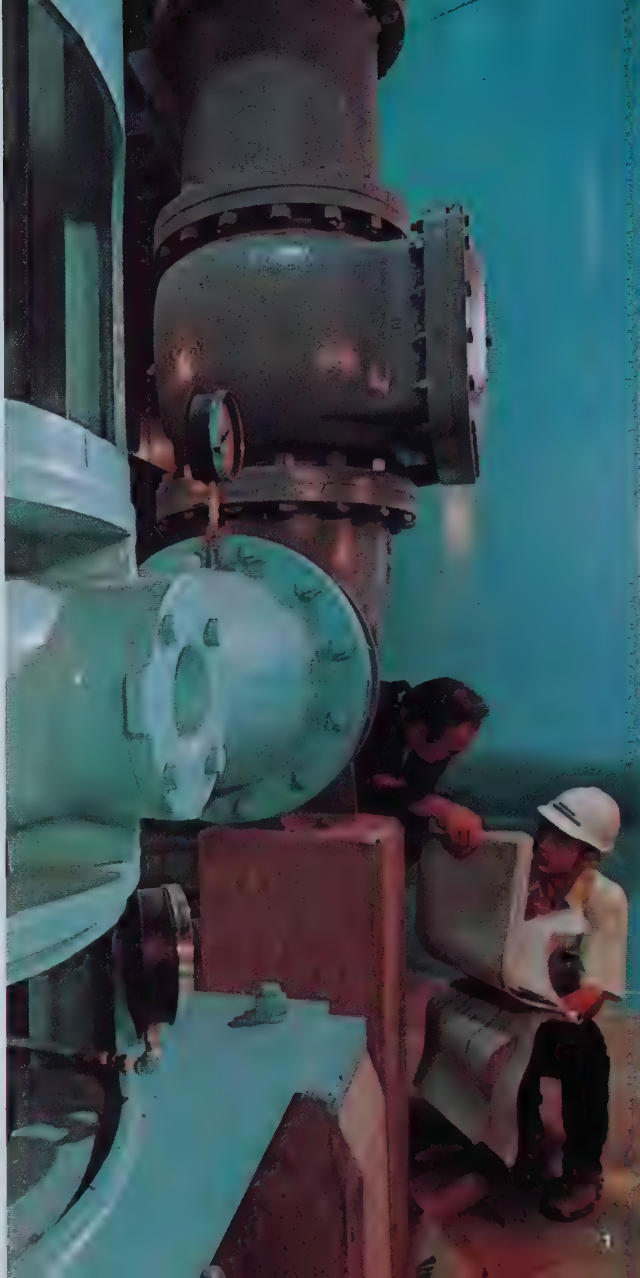


Some 70 percent of Holley's business in 1973 was in original equipment for such customers as Ford, Chrysler, General Motors, American Motors and International Harvester. The balance of the 1973 Holley carburetor and accessories business was in the automotive aftermarket for standard replacement parts and high-performance equipment for racing drivers and car enthusiasts.

**Aerospace Controls** Sales of Chandler Evans aircraft fuel controls and components also improved during 1973, despite the relatively small increase in aircraft construction. Profitability was strongly affected by a multimillion-dollar improvement in spare parts business.

During the year, the federal government initiated full production of the new F-15 air superiority fighter manufactured by McDonnell Douglas. Chandler Evans MFP 330 fuel pumps have been specified for the two F100 fanjet engines manufactured for the F-15 by the Pratt & Whitney Aircraft Division of United Aircraft. Chandler Evans fuel controls are employed on the latest commercial helicopters. These advanced programs represent not only a current market for Chandler Evans original equipment but also a substantial potential business in replacement parts.

**Pumps** During 1973, the company concentrated its Fairbanks Morse pump manufacturing operations on water and sewage pumping markets, which represent the most likely potential for consistent growth in the years ahead. Fairbanks Morse pumps are among the industry's leaders in such applications as pollution control, fire protection, water supply, food processing and agricultural irrigation.







1

This Fairbanks Morse pump and two others like it together handle up to 16,500 gallons of effluent a minute at the new Lake Bluff Pumping Station at the North Shore Sanitary District, near Chicago.

2

These F-15 air superiority fighters, the USAF's newest, are in production at the McDonnell Douglas St. Louis plant. Each F-15 is powered by twin F100 fanjet engines equipped with Chandler Evans MFP 330 fuel pumps. In addition, titanium and titanium alloys of the types produced by the company's Crucible operations are used in fabricating lightweight but heat-tolerant engine and air-frame structures for the F-15 and other advanced aircraft.



## Firearms and Sporting Equipment

The Colt name has been synonymous with quality for 137 years in military, security and recreational firearms. This business accounted for four percent of the company's 1973 sales.

A 19-week strike during the second quarter of 1973 curtailed sales for the year. Through the second half, however, incoming order levels indicated recovery of much of the lost business. It is expected that in 1974 commercial sales will outpace military sales.

**Commercial Arms** Early in 1973, the company reorganized and expanded its firearms manufacturing facilities in Hartford and nearby Rocky Hill, Connecticut, to boost by about one-third its capacity for the production of sporting, security and commemorative arms.

The Colt-Sauer high-powered hunting rifle was introduced during the year. The rifle links the Colt name with that of one of the world's most highly regarded hunting rifle designers and manufacturers: Sauer, of Germany. American hunters number in the millions, a substantial market for a quality rifle bearing the Colt name.

An area in which the Colt name continues to be uniquely marketable is in limited edition commemorative handguns for the growing number of collectors.

**Military and Security Arms** The company continues as sole supplier to the U.S. Armed Forces of the basic military rifle, the M16, and its attachment, the M203 40mm grenade launcher. However, production in 1973 was at a lower level than in prior years.







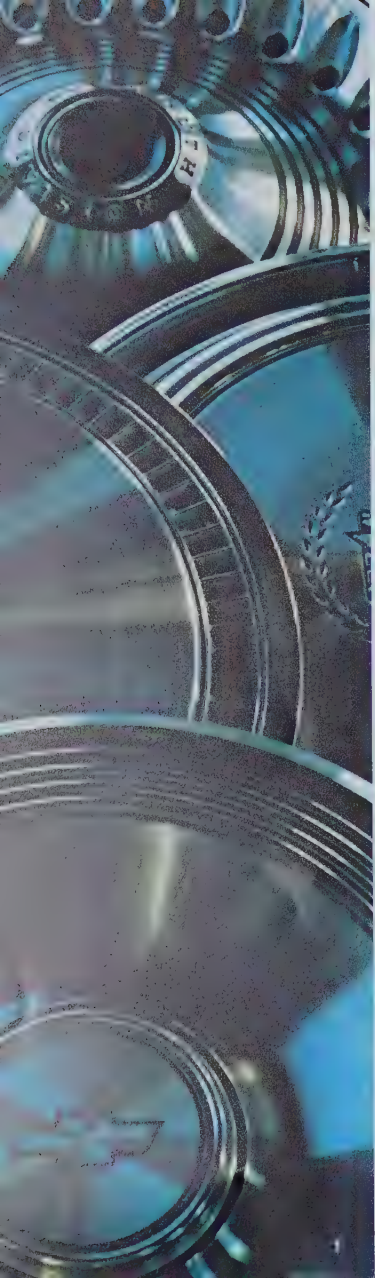
1  
Hunter carries a new Colt-Sauer rifle equipped with a telescopic sight. The rifle is one of the most accurate sporting arms ever developed.

2  
A cased pair of cap-and-ball Navy Colts and a "Buntline Special" .45 caliber Colt single action pistol with a 12-inch barrel. These are two models in the unique Colt line of commemorative issues for the growing collector's market.

3  
A security officer's holster cradles a Trooper MK III .38 Special revolver. The handcuffs also are part of the Colt arms and equipment line for law enforcement, security and military forces.

4  
Colt Woodsman .22 Long Rifle automatic, one model in the famed Woodsman line of pistols. Many other lines of revolvers and automatics are offered in a number of calibers for target shooting and field use.







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Representative panorama of Colt Industries' four product groups:

1

Materials: Protective wheel covers fashioned from Crucible stainless steel.

2

Industrial and Power Equipment: Trent tubing for cranberry processing.

3

Fluid Control Systems: Heavy-duty Fairbanks Morse pump.

4

Firearms and Sporting Equipment: Colt-Sauer hunting rifle.



**Sales** In 1973 sales were \$862 million, an increase of 22 percent over last year. The Materials Group recorded an increase of 29 percent over 1972, reflecting strong demand for specialty steels from the automobile and capital goods industries and reduced competition from imports. Industrial and Power Equipment Group sales were 25 percent higher than in 1972 because of increased demand for machine tools, weighing equipment, stainless steel tubing and magnets.

The Fluid Control Systems Group enjoyed a record year, predominantly in the manufacture and sale of carburetion equipment in a strong automotive market. A 19-week strike was responsible for a drop in sales in the Firearms and Sporting Equipment Group.

Sales and Pre-Tax Income by Product Groups  
(In Millions of Dollars)

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**Income** Net income increased 64 percent in 1973 to \$26.7 million, or \$3.41 per share, compared with \$16.3 million, or \$1.81 per share, in 1972.

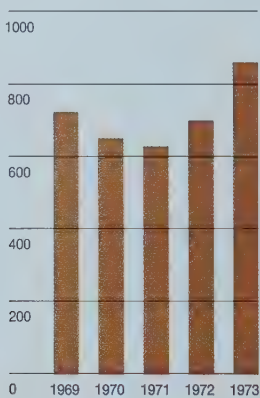
The Materials Group was the largest contributor, reporting profits before taxes of \$36.7 million, up 38 percent over 1972. Its pre-tax margins rose from 8.5 percent of sales in 1972 to 9.1 percent in 1973. The Industrial and Power Equipment Group reported profits before taxes of \$2.7 million in 1973, compared with a loss of \$7.6 million in 1972.

Performance of the Industrial and Power Equipment Group in 1973 reflected the return to profitability of our machine tool business and strong demand for compressors, weighing equipment, stainless steel tubing and magnets. This performance was accomplished despite added costs in consolidating manufacturing facilities and eliminating marginal products in two divisions. As the result of these consolidations, resources of the Fairbanks Morse Engine Division will be concentrated on diesel and dual-fuel engines and those of the Central Moloney Transformer Division on distribution transformers. Earnings performance of the group is expected to improve in the years ahead.

Pre-tax income of the Fluid Control Systems Group increased to \$7.7 million, up 28 percent over 1972, reflecting the high demand for automobile carburetors. These gains were despite

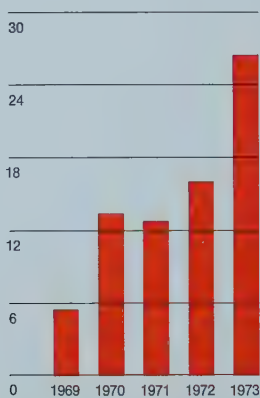
Sales

in millions of dollars



Net Income

in millions of dollars



start-up costs in setting up two new Holley Carburetor Division plants.

A 19-week strike and the cutback in M16 military rifle shipments accounted for the \$1.4 million loss recorded by the Firearms and Sporting Equipment Group in 1973.

**Dividends** The quarterly dividend on the common stock was increased twice in 1973. In February it was raised from 15 cents to 17½ cents per share and in November it was again increased from 17½ cents to 25 cents per common share, the latter made effective with the dividend paid on December 31, 1973.

**Capital Expenditures** Expenditures for new plants and equipment in 1973 totaled a record \$35 million. Major items included a 140,000-square-foot addition to the Quincy compressor plant; tooling, machinery, and equipment for the new Holley air injection pump plant in Sallisaw, Oklahoma; a new annealing and pickling line to increase the Crucible Stainless Steel Division's finishing capacity; and pollution control facilities at steel plants in Midland, Pennsylvania, and Syracuse, New York.

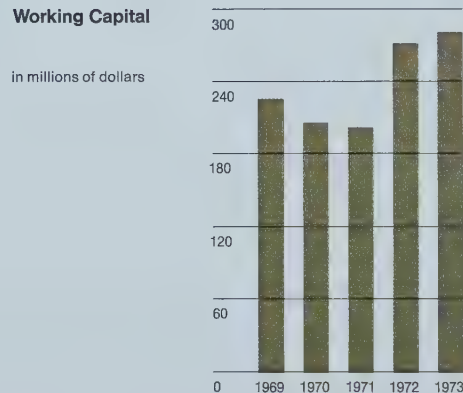
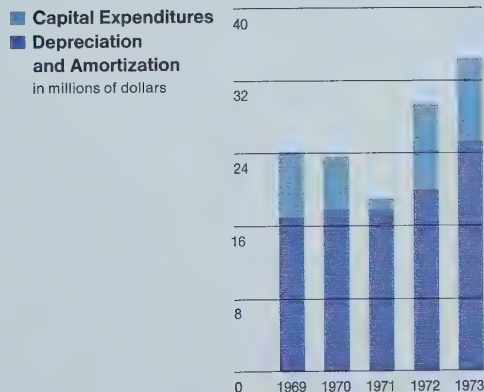
Capital expenditures in 1974 are expected to exceed those of 1973 and be substantially in excess of depreciation provisions, as they have been in recent years.

**Financial Position** The company's financial position at December 31, 1973, was strong. Working capital increased in 1973 by \$9 million to a total of \$282.6 million at year-end. Cash and marketable securities were \$72 million at December 31, 1973, an increase of \$10 million over the prior year. The favorable long-term financing arranged in 1972 became even more important in the ensuing period of tight money and high interest rates.

**Shareholder Information** At the end of 1973 there were 27,763 holders of the company's common stock and 11,770 holders of the five classes of preferred stock. In 1972 there were 28,238 holders of common and 11,857 of preferred.

Including 116,350 shares held in treasury during both years, there were 6,621,000 shares of common stock outstanding on December 31, 1973, compared with 6,582,000 at year-end 1972. Stock options exercised and conversion of preferred stock accounted for the 39,000 increase.

Effective with the third quarter of 1973, the company inaugurated a dividend reinvestment plan. By year-end, almost 2,000 shareholders had elected to apply their dividends and optional cash deposits to the purchase of the company's common stock. Interested shareholders should write The Chase Manhattan Bank, N.A., Dividend Reinvestment Services, 1 New York Plaza, New York, New York 10015.





# Consolidated Balance Sheet

December 31

Assets		1973	1972
<b>Current Assets</b>	Cash, including certificates of deposit of \$17,390,000 and \$34,224,000	\$ 24,407,000	\$ 47,054,000
	Marketable securities, at cost (approximates market)	47,370,000	14,963,000
	Accounts receivable, less allowance for doubtful accounts of \$2,708,000 and \$2,704,000	121,430,000	109,194,000
	Inventories	217,208,000	196,673,000
	Other current assets	11,176,000	10,708,000
	Total current assets	421,591,000	378,592,000
<b>Property, Plant and Equipment, at Cost</b>	Land and improvements	13,982,000	13,247,000
	Buildings and equipment	91,786,000	94,902,000
	Machinery and equipment	427,371,000	415,386,000
		533,139,000	523,535,000
	Accumulated depreciation	312,447,000	307,018,000
	Net property, plant and equipment	220,692,000	216,517,000
<b>Other Assets</b>		28,809,000	24,211,000
		\$671,092,000	\$619,320,000

Liabilities and Shareholders' Equity		1973	1972
<b>Current Liabilities</b>	Notes payable to banks	\$ 1,827,000	\$ 1,201,000
	Current portion of long-term debt	7,642,000	4,218,000
	Accounts payable	58,371,000	53,003,000
	Taxes	28,410,000	11,557,000
	Other current liabilities	42,753,000	35,168,000
	Total current liabilities	139,003,000	105,147,000
<b>Noncurrent Liabilities</b>	Long-term debt	220,147,000	217,496,000
	Deferred income taxes	21,238,000	23,188,000
	Other noncurrent liabilities	15,901,000	16,159,000
	Total noncurrent liabilities	257,286,000	256,843,000
<b>Total Liabilities</b>		396,289,000	361,990,000
<b>Shareholders' Equity</b>	Preferred stock, \$1 par value; authorized 2,943,885 and 2,949,279 shares, outstanding 1,288,390 and 1,293,784 shares (involuntary liquidation value at December 31, 1973—\$103,791,000)	1,288,000	1,294,000
	Common stock, \$1 par value; authorized 15,000,000 shares, issued 6,621,210 and 6,582,354 shares	6,621,000	6,582,000
	Capital in excess of par value	146,480,000	146,329,000
	Retained earnings	126,958,000	109,669,000
		281,347,000	263,874,000
	Cost of 116,350 shares of common stock in treasury	6,544,000	6,544,000
	Total shareholders' equity	274,803,000	257,330,000
		\$671,092,000	\$619,320,000

See accompanying notes



# Consolidated Statement of Earnings and Retained Earnings

Year ended December 31

		1973	1972
<b>Revenue</b>	Sales	\$862,103,000	\$707,299,000
<b>Expenses</b>	Cost of sales	733,739,000	602,086,000
	Selling and administrative	71,179,000	68,855,000
	Interest—net	11,486,000	10,340,000
	Total expenses	816,404,000	681,281,000
<b>Earnings</b>	Earnings before income taxes	45,699,000	26,018,000
	Provision for income taxes	18,965,000	9,750,000
	Net earnings	26,734,000	16,268,000
<b>Retained Earnings</b>	At beginning of year	109,669,000	101,709,000
	Dividends paid:		
	Preferred	(4,406,000)	(4,430,000)
	Common—\$.77½ and \$.60 per share	(5,039,000)	(3,878,000)
	At end of year	\$126,958,000	\$109,669,000
<b>Earnings Per Share</b>	Common, including common equivalent share	\$3.41	\$1.81
	Assuming full dilution	\$3.32	\$1.80

See accompanying notes

# Consolidated Statement of Changes in Financial Position

Colt Industries Inc and Subsidiaries

Year ended December 31

		1973	1972
<b>Source of Funds</b>	Net earnings	\$ 26,734,000	\$ 16,268,000
	Depreciation	25,545,000	19,695,000
	Deferred income taxes	2,000,000	7,000,000
	Funds from operations	54,279,000	42,963,000
	Long-term debt	11,148,000	122,306,000
		65,427,000	165,269,000
<b>Application of Funds</b>	Additions to properties	34,763,000	29,249,000
	Decrease in long-term debt	8,497,000	56,508,000
	Dividends paid	9,445,000	8,308,000
	Other—net	3,579,000	2,357,000
		56,284,000	96,422,000
<b>Working Capital</b>	Increase in working capital	9,143,000	68,847,000
	At beginning of year	273,445,000	204,598,000
	At end of year	\$282,588,000	\$273,445,000

		Increase (decrease) in Working Capital	
		1973	1972
<b>Changes in Components of Working Capital</b>	Cash, including certificates of deposit	\$ (22,647,000)	\$ 29,278,000
	Marketable securities	32,407,000	(2,476,000)
	Accounts receivable	12,236,000	18,953,000
	Inventories	20,535,000	22,292,000
	Other current assets	468,000	5,572,000
	Notes payable to banks	(626,000)	2,471,000
	Current portion of long-term debt	(3,424,000)	11,135,000
	Accounts payable	(5,368,000)	(15,561,000)
	Taxes	(16,853,000)	(3,950,000)
	Other current liabilities	(7,585,000)	1,133,000
	Net change	\$ 9,143,000	\$ 68,847,000

See accompanying notes



# Notes to Financial Statements

Colt Industries Inc and Subsidiaries  
December 31, 1973

## 1. Summary of Accounting Policies

**Principles of Consolidation**—Investments in which the Company's ownership of common voting stock is over 50 percent are consolidated in the financial statements. Corporations in which the Company has stock ownership of at least 20 percent but not over 50 percent are accounted for on the equity basis. Intercompany transactions are eliminated.

**Foreign Currency Translation**—The accounts of foreign subsidiaries are translated into U.S. dollars at the current rates of exchange, except that noncurrent assets and depreciation are translated at approximate rates of exchange at the dates of acquisition. Resulting unrealized gains and losses, not significant in amount, are reflected in net earnings.

**Inventories**—Inventories are priced at the lower of cost or market. Cost is determined in part on the first-in, first-out basis, and in part on the last-in, first-out basis.

**Depreciation**—For financial reporting purposes, the Company and its subsidiaries follow the policy of providing depreciation on the straight-line method over the estimated useful lives of the assets.

**Maintenance and Repairs**—Maintenance and repairs are charged to earnings, and expenditures for renewals and betterments are capitalized.

**Research and Development Costs**—Research and development costs for new products or improvements of existing products are charged against earnings in the year incurred.

**Intangibles**—The excess of the cost over the fair value of net assets of subsidiaries acquired prior to October 31, 1970, in the amount of \$10,655,000, is not being amortized since, in the opinion of management there has been no decrease in value.

**Earnings Per Share**—Earnings per common share, including common equivalent share, are computed by dividing net earnings less dividends on preferred stock by the weighted average number of shares of common stock and common stock equivalents outstanding during the year. Common stock equivalents are shares issuable on the exercise of stock options when dilutive, net of shares assumed to have been purchased with the proceeds. Earnings per share, assuming full dilution, are computed as above with additional assumptions that all of the dilutive convertible securities were converted and dividends were eliminated.

## 2. Income Taxes

The 1973 provision for income taxes was determined as follows:

	Amount	% of Pretax Income
Tax on income before taxes at the statutory U.S. Federal income tax rate	\$21,936,000	48.0%
Less reductions in taxes resulting from:		
Investment tax credit	(1,500,000)	(3.3)
Benefit attributable to DISC and capital gains income, etc.	(1,471,000)	(3.2)
Actual tax expense	\$18,965,000	41.5%

Income tax expense consists of current tax expense of \$16,965,000 and \$2,750,000 and deferred tax expense of \$2,000,000 and \$7,000,000 for 1973 and 1972 respectively.

Deferred tax expense results from timing differences in the recognition of revenue and expense for tax and financial statement purposes. Significant items included in deferred tax in 1973 and the tax effect of each were as follows:

Excess of tax over book depreciation	\$2,530,000
Excess of tax deductions over book provisions for inventory obsolescence	708,000
Excess of book provisions over tax deductions for compensation and fringe benefits	(1,045,000)
Other	(193,000)
	\$2,000,000

## 3. Long-term Debt

	1973	1972
Colt Industries Inc: (a)		
8½ % senior promissory notes due 1978-1992	\$ 50,000,000	\$ 50,000,000
Bank notes due 1979 (b)	55,000,000	55,000,000
6% notes due 1974-1980	20,000,000	20,000,000
Capitalized leases 4%-8½ % due 1974-1998	9,223,000	2,471,000
Crucible Inc:		
First mortgage sinking fund bonds 5.3%—6½ % due serially 1974-1992 (c)	76,107,000	79,792,000
Other:		
5¼ %—8½ % notes due 1974-1988	10,391,000	8,446,000
Real estate mortgages, etc., due 1974-1986	7,068,000	6,005,000
	227,789,000	221,714,000
Less: Amount due within one year included in current liabilities	7,642,000	4,218,000
	\$220,147,000	\$217,496,000

a) The Company's loan agreements provide that for the Company and all restricted subsidiaries current assets shall not be less than 175% of current liabilities and that working capital shall not be less than 100% of funded debt. In addition, dividends declared subsequent to December 31, 1971, are limited to the sum of \$12,500,000 plus net earnings since December 31, 1971. At December 31, 1973, \$36,609,000 of consolidated

retained earnings was available for dividends.

b) The loan agreement provides that the interest rate shall be at an incremental 1¼ % above the existing prime rate, provided that in the event the notes are not paid before 1979 the aggregate interest will not exceed 7¾ % per annum.

c) The mortgage bond indentures, which are secured by approximately \$160,000,000 of assets, principally property, plant and equipment, provide for restrictions on the disposition of property and creation of additional indebtedness.

#### 4. Pension and Retirement Plans

The Company and certain of its subsidiaries have in effect pension and retirement plans for substantially all employees. There are noncontributory and contributory plans which the Company funds principally by contributions deposited with trustees, based on actuarially determined costs. As of December 31, 1973, the actuarially computed vested benefits exceeded fund assets by \$66,268,000. Pension expense of \$15,398,000 and \$12,047,000 was charged to earnings in 1973 and 1972 respectively and included the amortization of past service cost over periods from 20 to 40 years.

#### 5. Capital Stock and Capital in Excess of Par Value

Changes in shareholders' equity accounts exclusive of retained earnings are shown below for 1972 and 1973:

	Preferred Stock \$1 Par Value	Common Stock \$1 Par Value	Capital in Excess of Par Value	Treasury Stock at Cost
January 1, 1972	\$1,295,000	\$6,572,000	\$146,235,000	\$(6,544,000)
Conversion of preferred stock and exercise of stock options	(1,000)	10,000	94,000	—
December 31, 1972	1,294,000	6,582,000	146,329,000	\$(6,544,000)
Conversion of preferred stock and exercise of stock options	(6,000)	39,000	151,000	—
December 31, 1973	\$1,288,000	\$6,621,000	\$146,480,000	\$(6,544,000)

The authorized preferred stock is issuable in series. Outstanding preferred stock has voting rights and is entitled to cumulative dividends. At December 31, 1973, the following series were outstanding:

	Annual Dividend Rate	Shares Outstanding	Involuntary Liquidation Value	Redemption Value Beginning	Per Share
Series A	\$1.60	367,426	\$14,697,000	Presently	\$ 41.00
Series B	4.50	14,446	1,445,000	Presently	102.75
Series C	4.25	81,830	8,183,000	4-1-75	102.50
Series D	4.25	757,948	75,795,000	1-1-74	104.25
Series E	2.75	66,740	3,671,000	Presently	55.00
		1,288,390	\$103,791,000		

Dividends may not be paid on common stock if shareholders' equity of the Company would thereby be reduced below the aggregate involuntary liquidation preference applicable to outstanding preferred stock (\$103,791,000) plus the amount of capital attributable to common stock (\$6,505,000).

All Series, except Series E, are convertible into common stock of the Company—Series A, at the rate of 2.666 shares of common stock for each five shares of preferred; Series B, at the rate of 4.987 shares of common stock for each share of preferred; Series C at the rate of 1.462 shares of common stock for each share of preferred, and Series D, at the rate of 1.390 shares of common stock for each share of preferred, subject to certain specified adjustments. At December 31, 1973, shares of common stock were reserved for the following purposes:

Conversion of serial preferred stock	1,441,292
Issuance under stock options	626,612
	2,067,904

#### 6. Stock Option Plans

In 1973 the Board of Directors authorized, subject to shareholders' approval, 300,000 shares of common stock for granting to officers and key employees at prices based on the market price on the date of grant. This was in addition to shares authorized for this purpose under previously approved plans.

The status of stock options at December 31, 1973, is summarized as follows:

	Shares	Price Per Share
Outstanding at beginning of year	274,819	\$13.69-\$32.00
Additional authorization	300,000	—
Granted	153,300	14.19- 19.88
Exercised	13,911	13.94
Cancelled or expired	25,414	—
Outstanding at end of year:		
Exercisable	167,019	13.69- 32.00
Unexercisable	221,775	13.69- 32.00
Available for grant at end of year	237,818	—



## 7. Commitments and Contingencies

The Company and certain of its subsidiaries had rental expense, after reduction for related rental income, in the amounts of \$7,947,000 and \$8,649,000 which were charged to earnings in 1973 and 1972, respectively. The amounts of related rental income from subleases in 1973 and 1972 were \$3,180,000 and \$3,183,000, respectively.

The Company and certain of its subsidiaries have non-cancelable leases expiring on various dates after December 31, 1974. Amounts payable under such commitments are as follows:

	Rental Commitments Under All Noncancelable Leases*			Rental from Noncancelable Subleases
	Real Property	Machinery and Equipment	Total	
1974	\$ 2,770,000	\$1,046,000	\$ 3,816,000	\$2,911,000
1975	3,120,000	592,000	3,712,000	2,263,000
1976	2,613,000	186,000	2,799,000	1,905,000
1977	2,140,000	66,000	2,206,000	1,969,000
1978	2,111,000	47,000	2,158,000	1,710,000
1979-1983	10,140,000	95,000	10,235,000	5,507,000
1984-1988	11,030,000	—	11,030,000	1,098,000
1989-1993	8,498,000	—	8,498,000	625,000
Remainder	12,238,000	—	12,238,000	1,565,000

\*Net of rentals to be received from noncancelable subleases.

The Company and certain of its subsidiaries are contingently liable as guarantors on certain leases and are defendants in various lawsuits. In the opinion of management, these contingent liabilities are not significant in relation to the financial position of the Company and its subsidiaries.

## Auditors' Report

To the Board of Directors and Shareholders of  
Colt Industries Inc:

We have examined the consolidated balance sheet of Colt Industries Inc (a Delaware corporation) and subsidiaries as of December 31, 1973 and 1972, and the related consolidated statements of earnings and retained earnings and changes in financial position for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements present fairly the financial position of Colt Industries Inc and subsidiaries as of December 31, 1973 and 1972, and the results of their operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles consistently applied during the periods.

*Arthur Andersen & Co.*

New York, N. Y.  
January 29, 1974.

# Five-Year Financial Summary

Colt Industries Inc and Subsidiaries

Year ended December 31

	1973	1972	1971	1970	1969
<b>Financial Operations</b>					
Sales	\$862,103,000	\$707,299,000	\$636,741,000	\$665,637,000	\$729,214,000
Cost of sales	733,739,000	602,086,000	539,171,000	564,388,000	639,440,000
Selling and administrative	71,179,000	68,855,000	65,668,000	66,803,000	68,980,000
Interest—net	11,486,000	10,340,000	9,418,000	10,316,000	9,739,000
Earnings before income taxes	45,699,000	26,018,000	22,484,000	24,130,000	11,055,000
As a percent of sales	5.3%	3.7%	3.5%	3.6%	1.5%
Net earnings	\$ 26,734,000	\$ 16,268,000	\$ 12,704,000	\$ 13,271,000	\$ 5,525,000
As a percent of sales	3.1%	2.3%	2.0%	2.0%	0.8%
Earnings per share—					
Common, including common equivalent share	\$ 3.41	\$ 1.81	\$ 1.27	\$ 1.38	\$ .16
Assuming full dilution	3.32	1.80	1.26	1.37	.16
Dividends paid—					
Preferred	4,406,000	4,430,000	4,444,000	4,472,000	4,513,000
Common	5,039,000	3,878,000	5,126,000	6,347,000	6,325,000
Per common share	.77½	.60	.80	1.00	1.00
Return on shareholders' equity at year-end	9.7%	6.3%	5.1%	5.4%	2.3%
<b>Financial Condition</b>					
Working capital	\$282,588,000	\$273,445,000	\$204,598,000	\$207,805,000	\$228,244,000
Fixed assets at cost	533,139,000	523,535,000	503,021,000	491,749,000	476,499,000
Long-term debt	220,147,000	217,496,000	151,698,000	160,171,000	173,271,000
Shareholders' equity	274,803,000	257,330,000	249,267,000	245,792,000	243,134,000
<b>General</b>					
Average number of common shares outstanding, including common equivalent shares	6,541,000	6,535,000	6,511,000	6,355,000	6,330,000
Employees	25,500	24,500	22,200	23,000	27,100
Shareholders of record:					
Preferred	11,770	11,857	12,107	12,189	11,558
Common	27,763	28,238	30,707	30,708	27,515



## Directory of Operations

As of the end of 1973 the company's 17 domestic divisions and its international operations employed approximately 25,500 persons, most of whom work in 48 plants occupying almost 13,300,000 square feet of manufacturing space in 23 states. Others are employed in 161 sales offices, as well as in warehouses and service centers in 36 of the 50 states. The company also manufactures or markets many of its principal products in Canada, Mexico, The Netherlands, England, and in Latin and Central America.

In its continuing development and maintenance of an effective work force, the company provides present and prospective employees opportunities for employment without regard for differences in race, color, religion, sex, age or national origin. Affirmative steps to assure representative employment and equality of treatment for women and minorities are a requisite part of the personnel policy in force at each of the company's locations.

## Materials

### Crucible Alloy Division

Box 226  
Midland, Pennsylvania 15059  
412/643-1100

Standard and special alloy and carbon steel ingots, blooms, billets and bars for automotive, marine, heavy construction equipment and durable goods manufacturing/Vacuum arc remelted aerospace alloys and superalloys/Disks, colters and other rolled agricultural shapes.

### Crucible Stainless Steel Division

Box 226  
Midland, Pennsylvania 15059  
412/643-1100

Stainless steel sheet and strip for chemical and food processing, cargo carrying and mass transit, automotive, appliance, construction and durable goods manufacturing/Titanium and titanium alloy billets, plate, sheet and strip for aerospace, chemical processing and other industries.

### Crucible Specialty Metals Division

Box 977  
Syracuse, New York 13201  
315/468-2571

High-speed steel bars and tool bits/Plastic mold and die casting die steels/Tool steels/Stainless free-machining bars and rods/High-temperature aerospace, nuclear and chemical processing alloys/Valve steels/Commercially pure and alloyed titanium bars, rods and wire.

## Industrial and Power Equipment

### Trent Tube Division

Church Street  
East Troy, Wisconsin 53120  
414/642-7321

Welded stainless steel tubing to 150-foot lengths for electric utility condensers and feedwater heaters/nuclear piping and tubing/Liquified natural gas (LNG) piping/26-1 special alloy tubing/Mill-length stainless and high-alloy pipe and tubing for processing, aerospace, nuclear, cryogenic and instrumentation applications.

### Crucible Spring Division

1 McCandless Avenue  
Pittsburgh, Pennsylvania 15201  
412/782-2444

Hot-wound heavy-duty coil springs for locomotives and freight cars, farm and heavy construction equipment, gun and missile shock absorption, pipe hangers.

### Crucible Magnetics Division

Box 100  
Elizabethtown, Kentucky 42701  
502/769-1333

Cast Alnico, Ferimag ceramic and Crucore rare earth-cobalt permanent magnets for electrical equipment, electromechanical controls and actuators, electronic devices, meters and instruments, separators, motors, magnets and data processing equipment.

### Pratt & Whitney Machine Tool Division

Charter Oak Boulevard  
West Hartford, Connecticut 06101  
203/236-6221

Vertical and horizontal numerically controlled machining centers/Automatic turret lathes/NC lathes and chucks/Jig borers/Vertical and horizontal NC and tracer-controlled milling and duplicating machines/Numerically and tracer-controlled multiple-spindle profiling and contour milling machines.

### Pratt & Whitney Small Tool Division

Charter Oak Boulevard  
West Hartford, Connecticut 06101  
203/233-7591

Pratt & Whitney particle metalurgy (PWM) cutting tools/Standard high-speed steel and carbide P & W cutting tools/English and metric gages and precision tools/Electronic measuring instruments/Sterling thread-rolling dies, taps and gages/Haber cold-heading tools/Detterbeck screw machine tools/Fastcut end mills. Rotary tables/Cutter grinders.

### Elox Division

Box 2227  
Davidson, North Carolina 28036  
704/892-8011

Electrical discharge machining (EDM) and EDM grinding equipment and power supplies/Custom-designed and built EDM production systems/Micro-hole EDM equipment/Combination EDM and try-out machines for large dies and molds.

### Quincy Compressor Division

217 Maine Street  
Quincy, Illinois 62301  
217/222-7700

Reciprocating air- and water-cooled compressors for pneumatic tooling and equipment in factories, processing plants, automotive servicing, environmental control systems and other compressed air applications/Stationary and portable helical screw compressors/Industrial air tools for plant use and pneumatic tools for mining and construction/Hydraulic power units, paving breakers and tampers.

### Fairbanks Morse Engine Division

701 Lawton Avenue  
Beloit, Wisconsin 53511  
608/364-4411

Diesel engine generator systems for standby, peaking and continuous service/Diesel engines for industrial drives/Marine diesel propulsion systems and generator systems/Specialty machining for nuclear power plant components.

### Engine Accessories Operation

701 Lawton Avenue  
Beloit, Wisconsin 53511  
608/364-4411

Clutches, starters, solid-state and conventional ignition systems and other accessories/Diesel fuel injection systems.

### Water & Waste Management Operation

701 Lawton Avenue  
Beloit, Wisconsin 53511  
608/364-4411

Vacuum sewage systems.

	Fluid Control Systems	Firearms, Sporting Equipment	International Operations	
<p><b>Central Moloney Transformer Division</b> 400 West Sixth Avenue Bluff, Arkansas 71601 501/534-5332</p> <p>ole, pad-mounted, underground, and station-type distribution transformers/High-voltage circuit breakers/Transformer components.</p>	<p><b>Holley Carburetor Division</b> 11955 East Nine Mile Road Warren, Michigan 48090 313/536-1900</p> <p>Standard carburetors and ignition systems/Air injection pumps for emission control/High-performance carburetors and kits/Fuel pumps, spark plugs, wiring and ignition tuneup parts/Exhaust headers, custom wheels, tires, valve covers, shifters, specially designed pistons and connecting rods/Electromechanical and hydromechanical automotive gas turbine controls.</p>	<p><b>Firearms Division</b> 150 Huyshope Avenue Hartford, Connecticut 06102 203/278-8550</p> <p>Hunting rifles/Sporting, target and commemorative arms and accessories/M16 military rifles/Grenade launchers/Police, security and military handguns.</p>	<p><b>Colt Industries (Canada) Ltd.</b> 9125 Cote de Liesse Road Dorval 760, Quebec, Canada 514/636-1250</p> <p><b>Crucible Steel Division</b> Sorel, Quebec, Canada 514/743-7931</p> <p>Tool and die steels/Custom forgings/Stainless steel coil, sheet and strip.</p>	<p><b>Manufacturera Fairbanks Morse, S. A.</b> Avenida Cuauhtemoc 1338 Mexico 13, D. F., Mexico</p> <p>Pumps for public works, industry, agriculture, homes/Electric motors/Generators and light plants/Transformers/Weighing equipment/Compressors.</p>
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